

Message

From: Hengst, Benjamin [Hengst.Benjamin@epa.gov]
Sent: 12/11/2017 3:09:40 PM
To: Moran, Robin [moran.robin@epa.gov]; Charmley, William [charmley.william@epa.gov]; Olechiw, Michael [olechiw.michael@epa.gov]
CC: Alson, Jeff [alson.jeff@epa.gov]; Lieske, Christopher [lieske.christopher@epa.gov]
Subject: RE: Natural Gas Vehicles As An Alternative Compliance Pathway

Hi Robin—thanks. Yes, please work with Bill N directly. I'll let him know that you'll be in touch. Thanks, Ben

From: Moran, Robin
Sent: Monday, December 11, 2017 10:03 AM
To: Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>
Cc: Alson, Jeff <alson.jeff@epa.gov>; Lieske, Christopher <lieske.christopher@epa.gov>
Subject: RE: Natural Gas Vehicles As An Alternative Compliance Pathway

Hi Ben,

We will put something together that we can send to Bill Nickerson at OP. Some of these issues, like the "0.15 divisor" are quite complicated to explain, but we'll do our best to give OP the background on it.

As the email from Akin-Gump indicates, we do have a call scheduled with them (representing the natural gas firms VNG and Ariel) on Thursday this week, during which we mainly expect to be listening. Their main position is that they would like natural gas vehicles to be given "parity" with any continued/future incentives for EVs. This meeting actually came about with Brittany apparently suggesting that VNG meet with us, though we did have a history of dialogue with this firm during the development of the GHG standards.

I know Bill Nickerson from past GHG rulemaking days (he was our OP Workgroup rep), if you'd like me to follow-up with him directly, and I can keep you cc'd.

Robin

From: Hengst, Benjamin
Sent: Friday, December 08, 2017 9:28 AM
To: Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>
Cc: Moran, Robin <moran.robin@epa.gov>; Grundler, Christopher <grundler.christopher@epa.gov>
Subject: FW: Natural Gas Vehicles As An Alternative Compliance Pathway

Bill:

See the chain below.

Bill Nickerson, an OD (?—maybe deputy OD?) in OP called me this morning on this. He's asked if we can give him a short summary of EPA's current 'position' on this issue.

Deliberative Process / Ex. 5

Let me know if you want to talk – Ben

From: Nickerson, William
Sent: Friday, December 08, 2017 9:11 AM
To: Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Subject: FW: Natural Gas Vehicles As An Alternative Compliance Pathway

In the hopes you have some already prepared, brief summary of the "0.15 divisor" issue mentioned in the attached incoming letter.

I'm not sure if any of the OP politicals will be on the call mentioned below, but I'd like to give them our current position on the issue just in case.

Appreciate any assistance.

From: Feeley, Drew (Robert)
Sent: Thursday, December 07, 2017 5:09 PM
To: Nickerson, William <Nickerson.William@epa.gov>
Subject: FW: Natural Gas Vehicles As An Alternative Compliance Pathway

FYI

From: Tucker, Jamie [<mailto:jtucker@AKINGUMP.COM>]
Sent: Thursday, December 7, 2017 3:38 PM
To: Bolen, Brittany <bolen.brittany@epa.gov>; Feeley, Drew (Robert) <Feeley.Drew@epa.gov>; Gunasekara, Mandy <Gunasekara.Mandy@epa.gov>
Cc: Letendre, Daisy <letendre.daisy@epa.gov>
Subject: RE: Natural Gas Vehicles As An Alternative Compliance Pathway

Team - I wanted to share with you the comments recently filed by the National Association of Convenience Stores (NACS) and the Society of Independent Gasoline Marketers of America (SIGMA) which describe the regulatory incentives and requirements of the current GHG emissions standards as "disproportionately favor[-ing]" electric vehicles and furthers calls on EPA and NHTSA to create a level playing field for light duty NGVs and EVs in the Mid-Term Evaluation.

Additionally, we wanted to share that we met with CARB last month and are also scheduled to have a call on the 14th with William Charmley and Michael Olewchiw from OTAQ in Ann Arbor to walk them through the technical analysis of VNG.Co's proposals around NGV parity (summarized below).

Would you be available for a call during the week of the 18th with the team from VNG.Co for an update?

Thanks

Jamie

From: Tucker, Jamie
Sent: Monday, October 23, 2017 3:46 PM
To: 'bolen.brittany@epa.gov'; 'feeley.drew@epa.gov'
Cc: 'letendre.daisy@epa.gov'
Subject: Natural Gas Vehicles As An Alternative Compliance Pathway

Brittany/ Drew - We want to express our great appreciation for your time today with VNG and Ariel to discuss ways to harmonize regulatory treatment of NGVs and EVs.

As we discussed, VNG is proposing regulatory changes which would address (among other segments) the light-duty truck category which accounts for 64% of new vehicle purchases (and are responsible for even greater amounts of fuel use and pollution if you take into account the differential in fuel economy between light-duty trucks and passenger cars), and for which there is not a viable electrification solution.

Natural gas vehicles provide a cost effective and additional pathway for automaker emissions compliance while preserving the products consumers desire, and are therefore worthy of being included in a portfolio of solutions along with EVs to achieve the objectives.

Specifically, we would encourage the Administration to consider:

- **Restoring the 0.15 “divisor”** in EPA’s compliance calculations, equivalent to NHTSA’s statutory Petroleum Equivalency Factor that counts a gallon-equivalent of natural gas as 0.15 gallons of gasoline. The previous Administration ended this powerful incentive while simultaneously providing electric vehicles with additional emissions incentives on the hope that EVs would be “game changers.” The game has now changed for NGVs. The shale revolution that has occurred since the current rules were set as well the development of Renewable Natural Gas as the lowest carbon vehicle fuel are true game changers that strongly justify returning to the 0.15 divisor.

The powerful and well-justified incentive of the 0.15 divisor would be complemented and made even more effective by additional changes including:

- **Eliminating range requirements on bi-fuel NGVs** that results in an impractical natural gas tank size requirement that is twice the size of the gasoline tank and costly design requirements for NGVs, whereas no such range requirements exists for hybrid electric vehicles. This is the most important regulatory change as a complement to the 0.15 divisor of the three.
- **Providing NGV pick-ups with the bonus credits** provided to “strong electric hybrid pick-ups” and **eliminating the existing minimum 10% deployment threshold** to qualify for pickup bonus credits.
- **Establishing a new incentive to encourage retrofitting existing gasoline and diesel vehicles to run on natural gas**, something that isn’t feasible for electric drives but which will reduce emissions by the existing fleet of vehicles

Enclosed for your further consideration are our Midterm Evaluation comments as well as information outlining the rationale for the recommended regulatory changes. We stand at the ready to respond to any questions or recommendations you may have with regard to our MTE recommendations and comments.

Thank you again and we look forward to continuing our dialogue with you and others engaged in the inter-agency process.

Jamie

Jamie Tucker

AKIN GUMP STRAUSS HAUER & FELD LLP

1333 New Hampshire Avenue, N.W. || Washington, DC 20036-1564 || USA || Direct: [+1 202.887.4279](tel:+12028874279) || Internal: [24279](tel:+12028874279)
 Fax: [+1 202.887.4288](tel:+12028874288) || jtucker@akingump.com || akingump.com || Bio

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